

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name TOWNSHIP OF DUNDEE	County MONROE
Audit Date 03/31/04	Opinion Date 05/12/04	Date Accountant Report Submitted to State: 8/25/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

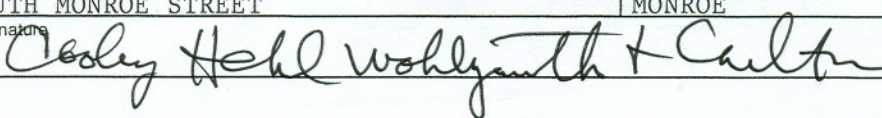
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☒ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	XX		
Reports on individual federal financial assistance programs (program audits).			XX
Single Audit Reports (ASLGU).			XX

Certified Public Accountant (Firm Name) COOLEY HEHL WOHLGAMUTH & CARLTON, PLLC, CPAS			
Street Address ONE SOUTH MONROE STREET		City MONROE	State MI
Accountant Signature 		ZIP 48161	Date

TOWNSHIP OF DUNDEE
Monroe County, Michigan

ANNUAL FINANCIAL REPORT

March 31, 2004

TOWNSHIP OF DUNDEE
ANNUAL FINANCIAL REPORT

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Independent Auditor's Report

Township Board
Township of Dundee
Monroe County, Michigan

We have audited the accompanying general purpose financial statements of the Township of Dundee, Monroe County, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township of Dundee, Monroe County, Michigan, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Dundee, Monroe County, Michigan, as of March 31, 2004, and the results of its operations and cash flows of its nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Dundee, Monroe County, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Cooley Hehl Wohlgamuth & Carlton

May 12, 2004

TOWNSHIP OF DUNDEE

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2004

	General Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>ASSETS</u>				
Cash	\$256,084	\$165,234	\$66,136	\$892,800
Certificates of deposit	0	100,000	0	0
Receivables - taxes	18,052	10,409	0	13,702
- special assessments	0	0	195,108	0
Due from other governments	29,499	0	0	0
Due from other funds	18,408	0	0	0
Fixed assets	0	0	0	0
Amount available in debt retirement funds	0	0	0	0
Amount to be provided for retirement of general long-term debt	0	0	0	0
Total Assets	<u>\$322,043</u>	<u>\$275,643</u>	<u>\$261,244</u>	<u>\$906,502</u>
<u>LIABILITIES</u>				
Accounts payable	\$17,069	\$5,806	\$0	\$107,702
Due to other governments	0	0	0	0
Due to other funds	0	0	0	12,138
Deferred revenue	0	0	179,574	0
Obligations under capital lease	0	0	0	0
Bonds payable	0	0	0	0
Total Liabilities	17,069	5,806	179,574	119,840
<u>FUND EQUITY</u>				
Investment in general fixed assets	0	0	0	0
Fund balances				
Reserved for endowment	0	0	0	0
Reserved for debt service	0	0	81,670	0
Unreserved	304,974	269,837	0	786,662
Total Fund Equity	<u>304,974</u>	<u>269,837</u>	<u>81,670</u>	<u>786,662</u>
Total Liabilities and Fund Equity	<u>\$322,043</u>	<u>\$275,643</u>	<u>\$261,244</u>	<u>\$906,502</u>

(See accompanying notes to financial statements)

Fiduciary Fund Type	Account Group		Totals (Memorandum Only)
Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$34,025	\$0	\$0	\$1,414,279
7,000	0	0	107,000
0	0	0	42,163
0	0	0	195,108
0	0	0	29,499
0	0	0	18,408
0	1,902,022	0	1,902,022
0	0	81,670	81,670
0	0	840,808	840,808
<u>\$41,025</u>	<u>\$1,902,022</u>	<u>\$922,478</u>	<u>\$4,630,957</u>
\$0	\$0	\$0	\$130,577
5,203	0	0	5,203
6,270	0	0	18,408
0	0	0	179,574
0	0	227,478	227,478
0	0	695,000	695,000
11,473	0	922,478	1,256,240
0	1,902,022	0	1,902,022
7,000	0	0	7,000
0	0	0	81,670
22,552	0	0	1,384,025
29,552	1,902,022	0	3,374,717
<u>\$41,025</u>	<u>\$1,902,022</u>	<u>\$922,478</u>	<u>\$4,630,957</u>

TOWNSHIP OF DUNDEE

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Year Ended March 31, 2004

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Taxes and assessments	\$216,827	\$162,420	\$61,226	\$221,743
Licenses and permits	46,283	0	0	0
Federal grants	63,260	0	0	0
State grants	195,141	459	0	0
Charges for services	94,040	0	0	0
Interest and rents	5,963	625	8,889	6,104
Other revenue	30,645	0	0	0
Total Revenues	652,159	163,504	70,115	227,847
Expenditures				
Legislative	21,115	0	0	0
General government	249,726	0	0	0
Public safety	210,638	97,083	0	0
Public works	57,447	0	0	0
Recreation and culture	8,244	0	0	0
Capital projects	0	0	0	581,206
Debt service	0	0	7,033	0
Other	82,868	0	0	0
Total Expenditures	630,038	97,083	7,033	581,206
Excess (Deficiency) of Revenues over Expenditures	22,121	66,421	63,082	(353,359)
Other Financing Sources (Uses)				
Proceeds from sale of bonds	0	0	0	690,800
Operating transfers in	2,265	0	18,588	0
Operating transfers out	0	(2,265)	0	(18,588)
Total Other Financing Sources (Uses)	2,265	(2,265)	18,588	672,212
Excess (Deficiency) of Revenues over Expenditures and Other Sources (Uses)	24,386	64,156	81,670	318,853
Fund Balances - Beginning of Year	280,588	205,681	0	467,809
Fund Balances - End of Year	<u>\$304,974</u>	<u>\$269,837</u>	<u>\$81,670</u>	<u>\$786,662</u>

(See accompanying notes to financial statements)

Fiduciary Fund Type	
Expendable Trust	Totals (Memorandum Only)
\$0	\$662,216
2,350	48,633
0	63,260
0	195,600
0	94,040
229	21,810
0	30,645
2,579	1,116,204
0	21,115
0	249,726
0	307,721
0	57,447
0	8,244
0	581,206
0	7,033
0	82,868
0	1,315,360
2,579	(199,156)
0	690,800
0	20,853
0	(20,853)
0	690,800
2,579	491,644
19,727	973,805
\$22,306	\$1,465,449

TOWNSHIP OF DUNDEE

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - GENERAL FUND, SPECIAL REVENUE FUNDS AND CAPITAL PROJECTS FUNDS
 For the Year Ended March 31, 2004

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Taxes	\$217,000	\$216,827	(\$173)
Licenses and permits	45,400	46,283	883
Federal grants	63,260	63,260	0
State grants	165,000	195,141	30,141
Charges for services	73,000	94,040	21,040
Interest and rents	10,000	5,963	(4,037)
Other revenue	39,000	30,645	(8,355)
Total Revenues	612,660	652,159	39,499
Expenditures			
Legislative	21,554	21,115	439
General government	487,807	249,726	238,081
Public safety	219,580	210,638	8,942
Public works	280,000	57,447	222,553
Recreation and culture	10,300	8,244	2,056
Capital projects	0	0	0
Other	88,500	82,868	5,632
Total Expenditures	1,107,741	630,038	477,703
Excess (Deficiency) of Revenues over Expenditures	(495,081)	22,121	517,202
Other Financing Sources (Uses)			
Proceeds from sale of bonds	0	0	0
Operating transfers in	0	2,265	2,265
Operating transfers out	0	0	0
Total Other Financing Sources (Uses)	0	2,265	2,265
Excess (Deficiency) of Revenues over Expenditures and Other Sources (Uses)	(495,081)	24,386	519,467
Fund Balances - Beginning of Year	495,081	280,588	(214,493)
Fund Balances - End of Year	<u>\$0</u>	<u>\$304,974</u>	<u>\$304,974</u>

(See accompanying notes to financial statements)

Special Revenue Funds			Capital Projects Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$168,815	\$162,420	(\$6,395)	\$200,000	\$221,743	\$21,743
0	0	0	0	0	0
0	0	0	0	0	0
525	459	(66)	0	0	0
0	0	0	0	0	0
1,200	625	(575)	5,117	6,104	987
0	0	0	0	0	0
170,540	163,504	(7,036)	205,117	227,847	22,730
0	0	0	0	0	0
0	0	0	0	0	0
83,454	97,083	(13,629)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	475,000	581,206	(106,206)
0	0	0	0	0	0
83,454	97,083	(13,629)	475,000	581,206	(106,206)
87,086	66,421	(20,665)	(269,883)	(353,359)	(83,476)
0	0	0	1,095,000	690,800	(404,200)
13,000	0	(13,000)	0	0	0
0	(2,265)	(2,265)	0	(18,588)	(18,588)
13,000	(2,265)	(15,265)	1,095,000	672,212	(422,788)
100,086	64,156	(35,930)	825,117	318,853	(506,264)
205,681	205,681	0	507,686	467,809	(39,877)
<u>\$305,767</u>	<u>\$269,837</u>	<u>(\$35,930)</u>	<u>\$1,332,803</u>	<u>\$786,662</u>	<u>(\$546,141)</u>

TOWNSHIP OF DUNDEE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
 NONEXPENDABLE TRUST FUND
 For the Year Ended March 31, 2004

Revenues	
Interest	\$256
Expenses	
General government	240
Net Income (Loss)	16
Fund Balance - Beginning of Year	7,230
Fund Balance - End of Year	\$7,246

STATEMENT OF CASH FLOWS
 NONEXPENDABLE TRUST FUND
 For the Year Ended March 31, 2004

Net Income (Loss)	\$16
Adjustments to reconcile net income to net cash provided by operating activities	
Increase (decrease) in due to other funds	(260)
Net Increase (Decrease) in Cash and Certificate of Deposit	(244)
Cash and Certificate of Deposit - Beginning of Year	7,490
Cash and Certificate of Deposit - End of Year	\$7,246

(See accompanying notes to financial statements)

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

Note 1 Summary of Significant Accounting Policies

For financial reporting purposes, the Township of Dundee includes all funds, account groups, agencies, boards and authorities that are controlled by or dependent on the Township Board. The accounting policies of the Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Fund Accounting

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two broad fund categories as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the Township. It is used to account for financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the Township as trustee or as an agent for others.

B. Fixed Assets

General fixed assets of the Township are stated at cost or estimated cost at date of acquisition and include expenditures of budgetary funds for land, land improvements, equipment and facilities. Amounts expended directly from budgetary funds for equipment or other capital improvements are included in expenditures of such funds. No depreciation is provided on general fixed assets. General infrastructure assets have not been recorded in the financial statements.

C. Long-Term Liabilities

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

D. Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule are prepaid expenses which are not recognized and principal and interest on long-term debt which is recognized when due.

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

Note 1 Summary of Significant Accounting Policies (Concluded)

The Nonexpendable Trust Fund is accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

E. Budgets and Budgetary Accounting

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The fiscal officer submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them. Unexpended appropriations lapse at year end.
2. A public hearing is conducted to obtain taxpayer comment.
3. The budget is legally enacted through a Board motion.
4. Any revisions to the budget must be approved by the Township Board.
5. The budgets were adopted on a basis consistent with generally accepted accounting principles.
6. Budgeted amounts are as originally adopted, or as amended by the Township Board.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 Property Tax

The Township collects its own property tax and also collects taxes for the State of Michigan, Monroe County, Summerfield Schools, Ida Public Schools, Dundee Community Schools, Britton-Macon Schools, Monroe County Community College, Monroe County Intermediate School District and Lenawee County Intermediate School District. The Township levied 0.9516 mills for general operating, 0.7500 mills for the Fire Department and 0.9873 mills for roads for the 2003-2004 fiscal year. Taxable values, which amounted to \$212,214,296, represent a percentage of the fair market value of the assessed property. The Township also receives a portion of the millage levied on property subject to an industrial facilities tax exemption with a taxable value of \$16,471,084. Taxes are levied on December 1, 2003 based on assessment of property at December 31, 2002 and are due on February 14, 2004.

For the year ended March 31, 2004, the Township billed and retained \$94,040 as administrative fees for the above tax collection.

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

Note 3 Interfund Receivable and Payable Balances

Such balances at March 31, 2004, were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$18,408	\$ -
Capital Project Funds:		
Irish/Meanwell Road		
Water Construction	-	598
Wells Road Water Construction	-	341
Meanwell/Eggert Road		
Water Construction	-	11,199
Trust and Agency Funds:		
Tax Collection	-	6,270
	<u>\$18,408</u>	<u>\$18,408</u>

Note 4 Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance April 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2004</u>
Land and buildings	\$ 737,928	\$ -	\$ -	\$ 737,928
Office and general equipment	169,673	6,036	-	175,709
Fire equipment	<u>911,354</u>	<u>77,031</u>	<u>-</u>	<u>988,385</u>
Total	<u>\$1,818,955</u>	<u>\$83,067</u>	<u>\$ -</u>	<u>\$1,902,022</u>

Note 5 Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At March 31, 2004, Dundee Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States and certificates of deposit.

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Township Board has authorized three depositories: United Bank & Trust, Standard Federal Bank and Monroe Bank & Trust.

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

Note 5 Deposits (Concluded)

Deposits are carried at cost. The carrying amount of deposits is separately displayed on the balance sheet as "cash" and "certificates of deposit".

The following is a summary of these deposits which are covered by federal depository insurance and those which are uninsured and uncollateralized:

Carrying value of total Township's deposits	<u>\$1,521,279</u>
Bank balance of Township's deposits	\$2,089,846
Amount covered by FDIC	<u>300,000</u>
In uninsured and uncollateralized accounts	<u>\$1,789,846</u>

Note 6 Long-Term Debt

2003 Special Assessment Bonds (General Obligation Limited Tax) were issued by Dundee Township to pay for the construction of water supply improvements in special assessment district No. 2002-1 (Dixon Road). These bonds are being financed through a special assessment of \$5,600 per residential equivalent unit, levied against homeowners benefitting from the construction. These bonds are a general obligation of the Township and the liability for the remaining outstanding bonds is reflected in the General Long-Term Debt Account Group. The 2003 Special Assessment Bonds Debt Retirement Fund reflects the payment of this liability.

2004A Special Assessment Bonds (General Obligation Limited Tax) were issued by Dundee Township to pay for the construction of water supply improvements in special assessment district No. 2003-1 (Meanwell and Eggert Roads). These bonds are being financed through a special assessment levied against homeowners benefitting from the construction. These bonds are a general obligation of the Township and the liability for the remaining outstanding bonds is reflected in the General Long-Term Debt Account Group. The 2004A Special Assessment Bonds Debt Retirement Fund reflects the payment of this liability.

A capital lease was entered into with International Leasing Corporation on November 29, 2001 for the purchase of a Pierce Enforcer Pumper Truck. This lease is payable from a tax levy which is accounted for in the Fire Millage Fund.

The following is a summary of changes in long-term debt:

	<u>Balance</u> <u>March 31, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>March 31, 2004</u>
Bonds Payable: 2003 Special Assessment Bonds (General Obligation Limited Tax) : \$275,000 issue dated April 1, 2003, maturing in annual amount from \$15,000 to \$20,000 and bearing interest at 4.375%.	\$ -	\$275,000	\$ -	\$275,000
2004A Special Assessment (General Obligation Limited Tax): \$420,000 issue dated February 1, 2004, maturing in annual amounts from \$15,000 to \$25,000 and bearing interest at rates from 3.25% to 4.50%.	-	420,000	-	420,000

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

Note 6 Long-Term Debt (Continued)

	Balance March 31, 2003	Additions	Deletions	Balance March 31, 2004
Obligations Under Capital Lease: International Leasing Corporation Pierce Enforcer Pumper Truck Lease, payable \$83,094 annually beginning December 17, 2002; including interest at 4.77%, due December 17, 2006, secured by the truck.	\$296,574	\$ _____	\$69,096	\$227,478
	<u>\$296,574</u>	<u>\$695,000</u>	<u>\$69,096</u>	<u>\$922,478</u>

2003 Special Assessment Bonds (General Obligation Limited Tax)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2005	\$ 15,000	\$11,704	\$ 26,704
2006	15,000	11,047	26,047
2007	15,000	10,390	25,390
2008	15,000	9,734	24,734
2009	15,000	9,078	24,078
2010	20,000	8,313	28,313
2011	20,000	7,438	27,438
2012	20,000	6,563	26,563
2013	20,000	5,688	25,688
2014	20,000	4,813	24,813
2015	20,000	3,938	23,938
2016	20,000	3,063	23,063
2017	20,000	2,188	22,188
2018	20,000	1,313	21,313
2019	<u>20,000</u>	<u>438</u>	<u>20,438</u>
	<u>\$275,000</u>	<u>\$95,708</u>	<u>\$370,708</u>

2004A Special Assessment Bonds (General Obligation Limited Tax)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2005	\$ -	\$ 11,871	\$ 11,871
2006	15,000	15,584	30,584
2007	20,000	15,015	35,015
2008	20,000	14,365	34,365
2009	20,000	13,715	33,715
2010	20,000	13,065	33,065
2011	20,000	12,415	32,415
2012	20,000	11,765	31,765
2013	20,000	11,115	31,115
2014	20,000	10,450	30,450
2015	20,000	9,755	29,755
2016	25,000	8,931	33,931
2017	25,000	7,975	32,975
2018	25,000	6,988	31,988
2019	25,000	5,975	30,975
2020	25,000	4,937	29,937
2021	25,000	3,875	28,875
2022	25,000	2,788	27,788
2023	25,000	1,681	26,681
2024	<u>25,000</u>	<u>563</u>	<u>25,563</u>
	<u>\$420,000</u>	<u>\$182,828</u>	<u>\$602,828</u>

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

Note 6 Long-Term Debt (Concluded)

The annual requirements to pay principal and interest on the long-term debt outstanding at March 31, 2004 are as follows:

<u>Fiscal Year</u>	<u>Annual Requirements</u>
2005	\$ 121,669
2006	139,725
2007	143,499
2008	59,099
2009	57,793
2010 and thereafter	<u>701,033</u>
	<u>\$1,222,818</u>

Note 7 Compensated Absences

The Township does not have a policy of providing employees with vacation or sick pay.

Note 8 Employee's Pension Plan

The Township adopted a defined contribution pension plan effective January 1, 2003. The plan provides for pension benefits for all elected officials and all other employees who work more than 20 hours per week. There are no minimum age or service requirements. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate on the first day of the plan year or a month after the plan eligibility requirements are met. The plan requires the Township to contribute 10% of the employees compensation. Township contributions to the plan vest immediately for elected officials and are 100% vested after 3 years for all other employees. The Township has also elected to contribute approximately \$31,000 for past service of its employees to be paid over 3 years.

During the current fiscal year, the Township contributed \$31,892 which represented \$10,443 for past service and \$21,449 (\$10% of covered payroll) for the period January 1, 2003 to March 31, 2004. Covered payroll for this 15 month period was \$214,490. Total payroll for the current fiscal year was \$261,325. The Township also paid \$701 for administrative expenses.

Note 9 Building Department

The Township tracks building permit fees and their related costs in the General Fund. Fees for the fiscal year ending March 31, 2004, of \$45,108 did not exceed the related costs and administrative overhead.

Note 10 Capital Leases

On November 29, 2001, the Township entered into a capital lease with International Leasing Corporation for the purchase of a Pierce Enforcer Pumper Truck. This lease is payable from a tax levy which is accounted for in the Fire Millage Fund. The truck was recorded as an expenditure and the proceeds from the capital lease as a revenue in the year of acquisition.

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

Note 10 Capital Leases (Concluded)
The present value of the capital lease is:

<u>Fiscal Year</u>	<u>Annual Lease Payments</u>
2005	\$ 83,094
2006	83,094
2007	<u>83,094</u>
Total Payments	249,282
Less: Amount Representing Interest at 4.77%	<u>(21,804)</u>
Present Value of Future Minimum Lease Payments	<u>\$227,478</u>
Cost of Equipment	<u>\$362,555</u>

Note 11 Excess of Expenditures Over Appropriations
During the year ended March 31, 2004, the Township incurred expenditures in the following budgetary funds which were in excess of the amounts appropriated.

<u>Fund</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Excess</u>
Fire Millage Fund	\$83,094	\$ 96,723	\$ 13,629
Irish/Meanwell Road Water Construction Fund	-	598	598
Wells Road Water Construction Fund	-	15,922	15,922
Meanwell/Eggert Road Water Construction Fund	-	260,944	260,944

Note 12 Financial Statement (GASB 34)
In June 1999, members of the Governmental Accounting Standards Board (GASB) unanimously approved issuance of GASBS No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, which will make dramatic changes in the way state and local governments report their finances to the public. This will first be effective for the Township for the calendar year ending March 31, 2005.

The statement requires changes in presentation and some accounting policies. The statement will require material prior period adjustments, most significantly depreciation of fixed assets. The amounts of the adjustments have not been determined at this time.

GENERAL FUND

General Fund - to account for resources associated with government not specifically provided for in another fund.

TOWNSHIP OF DUNDEE

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes and special assessments			
Property taxes	\$212,000	\$213,700	\$1,700
Penalty and interest on taxes	5,000	3,127	(1,873)
	<u>217,000</u>	<u>216,827</u>	<u>(173)</u>
Licenses and permits	45,400	46,283	883
Federal grants	63,260	63,260	0
State grants	165,000	195,141	30,141
Charges for services			
Tax administration fee	73,000	94,040	21,040
Interest and rents			
Interest income	3,000	388	(2,612)
Rental income	7,000	5,575	(1,425)
	<u>10,000</u>	<u>5,963</u>	<u>(4,037)</u>
Other revenue	<u>39,000</u>	<u>30,645</u>	<u>(8,355)</u>
Total Revenues	612,660	652,159	39,499
Expenditures			
Legislative			
Board	21,554	21,115	439
General government			
Supervisor	25,450	23,562	1,888
Elections	1,000	319	681
Accounting/auditing	10,000	9,850	150
Assessor	265,134	62,784	202,350
Attorney	15,000	11,663	3,337
Clerk	39,000	36,938	2,062
Board of review	2,250	1,277	973
Treasurer	38,103	35,274	2,829
Building and grounds	65,500	45,790	19,710
Ambulance quarters improvements	1,500	787	713
Cemetery	24,870	21,482	3,388
	<u>487,807</u>	<u>249,726</u>	<u>238,081</u>

TOWNSHIP OF DUNDEE

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (Concluded)			
Public safety			
Fire protection	\$165,680	\$165,982	(\$302)
Building inspection	36,650	31,540	5,110
Ordinance enforcer	3,650	2,656	994
Planning commission	10,700	8,313	2,387
Board of appeals	2,300	1,547	753
Other protective activities	600	600	0
	<u>219,580</u>	<u>210,638</u>	<u>8,942</u>
Public works			
Drains at large	0	4,405	(4,405)
Civic betterment	8,000	7,700	300
Roads	272,000	45,342	226,658
	<u>280,000</u>	<u>57,447</u>	<u>222,553</u>
Recreation and culture			
Recreation	1,250	750	500
Library	9,050	7,494	1,556
	<u>10,300</u>	<u>8,244</u>	<u>2,056</u>
Other			
Social security	21,000	19,991	1,009
Pension	34,500	32,594	1,906
Insurance and bonds	33,000	30,283	2,717
	<u>88,500</u>	<u>82,868</u>	<u>5,632</u>
Total Expenditures	<u>1,107,741</u>	<u>630,038</u>	<u>477,703</u>
Excess (Deficiency) of Revenues over Expenditures	(495,081)	22,121	517,202
Other Financing Sources (Uses)			
Operating transfers in	0	2,265	2,265
Operating transfers out	0	0	0
	<u>0</u>	<u>2,265</u>	<u>2,265</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(495,081)	24,386	519,467
Fund Balance - Beginning of Year	<u>495,081</u>	<u>280,588</u>	<u>(214,493)</u>
Fund Balance - End of Year	<u>\$0</u>	<u>\$304,974</u>	<u>\$304,974</u>

SPECIAL REVENUE FUNDS

Fire Millage Fund - to account for moneys from a voted tax levy to be used to provide fire protection equipment for the Dundee Township Fire Department.

Liquor Law Enforcement Fund - to account for liquor license moneys returned to the Township by the State Liquor Control Commission. Regulations for the use of these moneys are established by this Commission.

Improvement Revolving Fund - to account for funds set aside by the Township for public improvements.

TOWNSHIP OF DUNDEE

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

March 31, 2004

	Fire Millage Fund	Liquor Law Enforcement	Improvement Revolving	Totals
<u>ASSETS</u>				
Cash	\$128,489	\$1,407	\$35,338	\$165,234
Certificates of deposit	0	0	100,000	100,000
Accounts receivable - taxes	10,409	0	0	10,409
Total Assets	<u>\$138,898</u>	<u>\$1,407</u>	<u>\$135,338</u>	<u>\$275,643</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	<u>\$5,806</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,806</u>
Total Liabilities	5,806	0	0	5,806
 Fund Balances				
Unreserved	<u>133,092</u>	<u>1,407</u>	<u>135,338</u>	<u>269,837</u>
Total Liabilities and Fund Balances	<u>\$138,898</u>	<u>\$1,407</u>	<u>\$135,338</u>	<u>\$275,643</u>

TOWNSHIP OF DUNDEE

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 For the Year Ended March 31, 2004

	Fire Millage Fund	Liquor Law Enforcement	Improvement Revolving	Totals
Revenues				
Taxes	\$162,420	\$0	\$0	\$162,420
State grants	0	459	0	459
Interest	367	0	258	625
Total Revenues	162,787	459	258	163,504
Expenditures				
Public safety	96,723	360	0	97,083
Excess (Deficiency) of Revenues over Expenditures	66,064	99	258	66,421
Other Financing Sources (Uses)				
Operating transfers out	(2,265)	0	0	(2,265)
Total Other Financing Sources (Uses)	(2,265)	0	0	(2,265)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	63,799	99	258	64,156
Fund Balances - Beginning of Year	69,293	1,308	135,080	205,681
Fund Balances - End of Year	<u>\$133,092</u>	<u>\$1,407</u>	<u>\$135,338</u>	<u>\$269,837</u>

TOWNSHIP OF DUNDEE

FIRE MILLAGE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$168,815	\$162,420	(\$6,395)
Interest	0	367	(367)
Total Revenues	168,815	162,787	(6,762)
Expenditures			
Public safety			
Fire protection			
Capital outlay	0	13,629	(13,629)
Capital lease payments	83,094	83,094	0
Total Expenditures	83,094	96,723	(13,629)
Excess (Deficiency) of Revenues over Expenditures	85,721	66,064	(20,024)
Other Financing Sources (Uses)			
Operating transfers out	0	(2,265)	(2,265)
Excess (Deficiency) of Revenues over Expenditures and Other Uses	85,721	63,799	(22,289)
Fund Balance - Beginning of Year	69,293	69,293	0
Fund Balance - End of Year	<u>\$155,014</u>	<u>\$133,092</u>	<u>(\$22,289)</u>

TOWNSHIP OF DUNDEE

LIQUOR LAW ENFORCEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
State grants			
Liquor license fees	\$525	\$459	(\$66)
Expenditures			
Public safety			
Inspection fees	360	360	0
Total Expenditures	360	360	0
Excess (Deficiency) of			
Revenues over Expenditures	165	99	(66)
Fund Balance - Beginning of Year	1,308	1,308	0
Fund Balance - End of Year	\$1,473	\$1,407	(\$66)

TOWNSHIP OF DUNDEE

IMPROVEMENT REVOLVING FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$1,200	\$258	(\$942)
Total Revenues	1,200	258	(942)
Expenditures	0	0	0
Excess (Deficiency) of Revenues over Expenditures	1,200	258	(942)
Other Financing Sources (Uses)			
Operating transfers in	13,000	0	(13,000)
Excess (Deficiency) of Revenues and Other Sources over Expenditures	14,200	258	(13,942)
Fund Balance - Beginning of Year	135,080	135,080	0
Fund Balance - End of Year	<u>\$149,280</u>	<u>\$135,338</u>	<u>(\$13,942)</u>

DEBT SERVICE FUNDS

Meanwell/Eggert Road Water Debt Fund - to account for the collection of Water Special Assessment District No. 2003-1, used to pay the cost of a \$420,000 bond issue.

Dixon Road Water Debt Fund - to account for the collection of Water Special Assessment District No. 2002-1, used to pay the cost of a \$275,000 bond issue.

TOWNSHIP OF DUNDEE

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

March 31, 2004

	Meanwell/ Eggert Road Water Debt	Dixon Road Water Debt	Totals
<u>ASSETS</u>			
Cash	\$11,875	\$54,261	\$66,136
Receivables:			
Special assessments	0	195,108	195,108
Total Assets	<u>\$11,875</u>	<u>\$249,369</u>	<u>\$261,244</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Deferred Revenue	<u>\$0</u>	<u>\$179,574</u>	<u>\$179,574</u>
Total Liabilities	0	179,574	179,574
Fund Balances			
Reserved for debt service	<u>11,875</u>	<u>69,795</u>	<u>81,670</u>
Total Liabilities and Fund Balances	<u>\$11,875</u>	<u>\$249,369</u>	<u>\$261,244</u>

TOWNSHIP OF DUNDEE

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended March 31, 2004

	Meanwell/ Eggert Road Water Debt	Dixon Road Water Debt	Totals
Revenues			
Special assessments	\$0	\$61,226	\$61,226
Interest	4	8,885	8,889
Total Revenues	4	70,111	70,115
Expenditures			
Interest and fees	0	7,033	7,033
Total Expenditures	0	7,033	7,033
Excess (Deficiency) of Revenues over Expenditures	4	63,078	63,082
Other Financing Sources			
Operating transfers in	11,871	6,717	18,588
Excess (Deficiency) of Revenues and Other Sources over Expenditures	11,875	69,795	81,670
Fund Balances - Beginning of Year	0	0	0
Fund Balances - End of Year	<u>\$11,875</u>	<u>\$69,795</u>	<u>\$81,670</u>

CAPITAL PROJECTS FUNDS

Irish/Meanwell Road Water Construction Fund - to account for the sale of bonds used to pay for the construction of the Irish/Meanwell Road water line.

Wells Road Water Construction Fund - to account for the sale of bonds used to pay for the construction of the Wells Road water line.

Meanwell/Eggert Road Water Construction Fund - to account for the sale of bonds used to pay for the construction of the Meanwell/Eggert water line.

Dixon Road Water Construction Fund - to account for the sale of bonds used to pay for the construction of the Dixon Road water line.

Road Millage Fund - to account for moneys from a voted tax levy to be used for improvements to the Township's roads and bridges.

TOWNSHIP OF DUNDEE

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

March 31, 2004

	Irish/Meanwell Road Water Construction	Wells Road Water Construction	Meanwell/Eggert Road Water Construction
<u>ASSETS</u>			
Cash	\$0	\$0	\$246,896
Accounts receivable - taxes	0	0	0
Total Assets	<u>\$0</u>	<u>\$0</u>	<u>\$246,896</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$0	\$15,581	\$92,121
Due to other funds	598	341	11,199
Total Liabilities	598	15,922	103,320
Fund Balances			
Unreserved	(598)	(15,922)	143,576
Total Liabilities and Fund Balances	<u>\$0</u>	<u>\$0</u>	<u>\$246,896</u>

Dixon Road Water Construction	Road Millage	Totals
\$37,782	\$608,122	\$892,800
0	13,702	13,702
<u>\$37,782</u>	<u>\$621,824</u>	<u>\$906,502</u>
\$0	\$0	\$107,702
0	0	12,138
0	0	119,840
<u>37,782</u>	<u>621,824</u>	<u>786,662</u>
<u>\$37,782</u>	<u>\$621,824</u>	<u>\$906,502</u>

TOWNSHIP OF DUNDEE

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended March 31, 2004

	Irish/Meanwell Road Water Construction	Wells Road Water Construction	Meanwell/Eggert Road Water Construction
Revenues			
Taxes	\$0	\$0	\$0
Interest	0	0	291
Total Revenues	0	0	291
Expenditures			
Capital projects	598	15,922	260,644
Total Expenditures	598	15,922	260,644
Excess (Deficiency) of Revenues over Expenditures	(598)	(15,922)	(260,353)
Other Financing Sources (Uses)			
Proceeds from sale of bonds	0	0	415,800
Operating transfers out	0	0	(11,871)
Total Other Financing Sources (Uses)	0	0	403,929
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(598)	(15,922)	143,576
Fund Balances - Beginning of year	0	0	0
Fund Balances - End of Year	<u>(\$598)</u>	<u>(\$15,922)</u>	<u>\$143,576</u>

Dixon Road Water Construction	Road Millage	Totals
\$0 804	\$221,743 5,009	\$221,743 6,104
804	226,752	227,847
191,428	112,614	581,206
191,428	112,614	581,206
(190,624)	114,138	(353,359)
275,000 (6,717)	0 0	690,800 (18,588)
268,283	0	672,212
77,659	114,138	318,853
(39,877)	507,686	467,809
\$37,782	\$621,824	\$786,662

TOWNSHIP OF DUNDEE

IRISH/MEANWELL ROAD WATER CONSTRUCTION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures			
Capital projects			
Water district	0	598	(598)
Excess (Deficiency) of			
Revenues over Expenditures	0	(598)	(598)
Other Financing Sources			
Proceeds from sale of bonds	200,000	0	(200,000)
Excess (Deficiency) of Revenues and			
Other Sources Over Expenditures	200,000	(598)	(200,598)
Fund Balance - Beginning of Year	0	0	0
Fund Balance - End of Year	<u>\$200,000</u>	<u>(\$598)</u>	<u>(\$200,598)</u>

TOWNSHIP OF DUNDEE

WELLS ROAD WATER CONSTRUCTION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures			
Capital projects			
Water district	0	15,922	(15,922)
Excess (Deficiency) of			
Revenues over Expenditures	0	(15,922)	(15,922)
Other Financing Sources			
Proceeds from sale of bonds	200,000	0	(200,000)
Excess (Deficiency) of Revenues and			
Other Sources Over Expenditures	200,000	(15,922)	(215,922)
Fund Balance - Beginning of Year	0	0	0
Fund Balance - End of Year	<u>\$200,000</u>	<u>(\$15,922)</u>	<u>(\$215,922)</u>

TOWNSHIP OF DUNDEE

MEANWELL/EGGERT ROAD WATER CONSTRUCTION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$0	\$291	\$291
Expenditures			
Capital projects			
Water district	0	260,644	(260,644)
Excess (Deficiency) of Revenues over Expenditures	0	(260,353)	(260,353)
Other Financing Sources (Uses)			
Proceeds from sale of bonds	420,000	415,800	(4,200)
Operating transfers out	0	(11,871)	(11,871)
Total Other Financing Sources (Uses)	420,000	403,929	(16,071)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	420,000	143,576	(276,424)
Fund Balance - Beginning of Year	0	0	0
Fund Balance - End of Year	<u>\$420,000</u>	<u>\$143,576</u>	<u>(\$276,424)</u>

TOWNSHIP OF DUNDEE

DIXON ROAD WATER CONSTRUCTION FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$0	\$804	\$804
Expenditures			
Capital projects			
Water district	275,000	191,428	83,572
Excess (Deficiency) of Revenues over Expenditures	(275,000)	(190,624)	84,376
Other Financing Sources (Uses)			
Proceeds from sale of bonds	275,000	275,000	0
Operating transfers out	0	(6,717)	(6,717)
Total Other Financing Sources (Uses)	275,000	268,283	(6,717)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	0	77,659	77,659
Fund Balance - Beginning of Year	0	(39,877)	(39,877)
Fund Balance - End of Year	\$0	\$37,782	\$37,782

TOWNSHIP OF DUNDEE

ROAD MILLAGE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended March 31, 2004

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$200,000	\$221,743	\$21,743
Interest	5,117	5,009	(108)
Total Revenues	205,117	226,752	21,635
Expenditures			
Capital projects			
Roads	200,000	112,614	87,386
Total Expenditures	200,000	112,614	87,386
Excess (Deficiency) of Revenues over Expenditures	5,117	114,138	109,021
Fund Balance - Beginning of Year	507,686	507,686	0
Fund Balance - End of Year	<u>\$512,803</u>	<u>\$621,824</u>	<u>\$109,021</u>

TRUST AND AGENCY FUNDS

Trust Funds:

Nonexpendable Trust Fund

Leib Cemetery Fund - to account for a \$7,000 endowment to the Township. The income is used to help pay cemetery maintenance expenses.

Expendable Trust Fund:

Perpetual Care Cemetery Fund - to account for moneys set aside by the Township from grave sales to help pay cemetery maintenance expenses.

Agency Fund:

Tax Collection Fund - to account for money which is collected by the Township in its capacity as trustee of property taxes.

TOWNSHIP OF DUNDEE

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET

March 31, 2004

	Nonexpendable Trust Leib Cemetery	Expendable Trust Perpetual Care Cemetery	Agency Fund Tax Collection	Totals
<u>ASSETS</u>				
Cash	\$246	\$22,306	\$11,473	\$34,025
Certificates of deposit	7,000	0	0	7,000
Total Assets	<u>\$7,246</u>	<u>\$22,306</u>	<u>\$11,473</u>	<u>\$41,025</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Due to other governments	\$0	\$0	\$5,203	\$5,203
Due to other funds	0	0	6,270	6,270
Total Liabilities	0	0	11,473	11,473
Fund Balances				
Reserved for endowment	7,000	0	0	7,000
Unreserved	246	22,306	0	22,552
Total Fund Balances	<u>7,246</u>	<u>22,306</u>	<u>0</u>	<u>29,552</u>
Total Liabilities and Fund Balances	<u>\$7,246</u>	<u>\$22,306</u>	<u>\$11,473</u>	<u>\$41,025</u>

TOWNSHIP OF DUNDEE

NONEXPENDABLE TRUST FUND
LEIB CEMETERY FUNDSTATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
For the Year Ended March 31, 2004

Revenues	
Interest	\$256
Expenses	
General government	
Cemetery	240
Net Income (Loss)	16
Fund Balance - Beginning of Year	7,230
Fund Balance - End of Year	<u>\$7,246</u>

EXPENDABLE TRUST FUND
PERPETUAL CARE CEMETERY FUNDSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended March 31, 2004

Revenues	
Licenses and permits	\$2,350
Interest	229
Total Revenues	2,579
Expenditures	
General government	
Cemetery	0
Excess of Revenues over Expenditures	2,579
Fund Balance - Beginning of Year	19,727
Fund Balance - End of Year	<u>\$22,306</u>

TOWNSHIP OF DUNDEE

AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended March 31, 2004

TAX COLLECTION FUND

	Balance April 1, 2003	Additions	Deductions	Balance March 31, 2004
<u>ASSETS</u>				
Cash	\$11,459	\$8,433,054	\$8,433,040	\$11,473
Total Assets	<u>\$11,459</u>	<u>\$8,433,054</u>	<u>\$8,433,040</u>	<u>\$11,473</u>
<u>LIABILITIES</u>				
Due to other governments	\$10,317	\$7,963,926	\$7,969,040	\$5,203
Due to other funds	<u>1,142</u>	<u>469,128</u>	<u>464,000</u>	<u>6,270</u>
Total Liabilities	<u>\$11,459</u>	<u>\$8,433,054</u>	<u>\$8,433,040</u>	<u>\$11,473</u>



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Certified Public Accountants

Township Board
Township of Dundee
Monroe County, Michigan

Report of Comments and Recommendations

Board Members:

Our audit of the general purpose financial statements of the Township of Dundee for the year ended March 31, 2004 was made in accordance with auditing standards generally accepted in the United States of America. These standards require, in addition to obtaining competent evidential matter through inspection, observation, inquiry, and confirmation, that we determine that existing internal controls, accounting procedures, and accounting records are adequate to allow us to express an opinion on the financial statements of the Township.

Our comments set forth herein are for your review and have been discussed with appropriate personnel. These comments are based primarily upon procedures employed during our audit and therefore do not encompass all matters that might result from special studies directed toward such matters.

New Reporting Model

Effective June 1999, new financial reporting requirements were established by GASB Statement No. 34. The Township is required to implement these changes for the fiscal year beginning April 1, 2004. For a smooth transition, we need to work with the Township on a plan to implement these new reporting changes.

As part of GASB Statement No. 34, the Township will be required to report capital assets (assets with useful lives of more than one year) in the statement of net assets at historical cost. These capital assets will also be depreciated over their estimated useful lives.

In order to implement GASB No. 34, the Township will need an inventory of capital assets as of March 31, 2004. Capital assets include the following: Land, buildings, office equipment, fire equipment, and vehicles. Inventory information should include the description of the item, historical cost, date of purchase, and estimated useful life.

General Ledger

One of the important parts of the system of checks and balances between the Clerk and the Treasurer is the comparing of the month-end cash balances. Once the Treasurer reconciles the monthly bank statements, the Clerk needs to compare the results with the cash balances of the general ledger and reconcile any differences.

Township Board
Township of Dundee

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Deficit Fund Balance

At the end of the year, the Meanwell Irish Road Water Construction Fund had a deficit fund balance of \$598 and the Wells Road Water Construction Fund had a deficit fund balance of \$15,922. The Township needs to file a deficit elimination plan with the State of Michigan. This plan will show that these deficits will be eliminated in the 2004-05 fiscal year when the bonds will be sold to pay the costs of the project.

Budgets

As noted in the financial statements, there were four funds where the expenditures exceeded the appropriations. The Township needs to review their budgets throughout the year and amend them as needed.

Although not required by state law, we suggest that the Township adopt a budget for each of the debt retirement funds.

We wish to express our appreciation for the continuing cooperation and courtesy extended to us by all officers and employees of the Township. We would be pleased to discuss any of these recommendations with you, and to provide any assistance that you may require in their implementation.

Very truly yours,

Cooley Hehl Wohlgenuth & Carlton

May 12, 2004